

AMENDED IN SENATE JANUARY 12, 2004

AMENDED IN SENATE JANUARY 5, 2004

SENATE BILL

No. 843

Introduced by Senator Denham

February 21, 2003

An act to amend Sections 66025.6, 69433.4, 69750, 69750.3, 69750.5, 69750.7, 69751, ~~and 69751.5 of 69751.3, and 69751.5 of, and~~ to add Section 69751.4 to, the Education Code, and to amend Section 981.8 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

SB 843, as amended, Denham. Veterans: student financial aid.

(1) Existing law, until January 1, 2007, grants to qualifying members of the National Guard, the State Military Reserve, and the Naval Militia an entitlement to academic leave when active duty, as defined, interrupts undergraduate college attendance for the purpose of pursuing an undergraduate degree.

This bill would extend the duration of this entitlement until January 1, 2012. The bill would also extend this entitlement to members of the National Guard, the State Military Reserve, and the Naval Militia who are graduate students or who are enrolled in or who have completed a program of instruction ~~at a technical or trade school in a vocational diploma program, as defined,~~ where enrollment qualifies a student for participation in the Federal Family Education Loan Program or any loan program approved by the Student Aid Commission. ~~The bill would also require that, until January 1, 2012, any qualifying member of the National Guard or the State Military Reserve who undertakes active duty prior to the completion of an academic term for which tuition or~~

~~fees or dormitory charges at a facility operated by a public institution of higher education have been paid, shall have those payments refunded.~~

(2) Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant A and B entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Among other things, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act requires, until January 1, 2007, that a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty, as defined, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

This bill would extend the duration of this requirement until January 1, 2012.

(3) Existing law establishes, commencing with the 2004–05 fiscal year, and ending with the 2006–07 fiscal year, the National Guard Assumption Program of Loans for Education, for qualifying members of the National Guard, the State Military Reserve, and the Naval Militia as defined, who seek, or who have completed, baccalaureate degrees at institutions of higher education within this state, who receive a loan under a designated loan program, and who complete a certain period of service as a qualifying member. Under the National Guard Assumption Program of Loans for Education, a qualifying member is eligible to receive up to \$11,000 in loan assumption payments if he or she completes up to 4 years of qualifying service.

This bill would extend the National Guard Assumption Program of Loans for Education until the 2012–13 fiscal year. The bill would authorize qualifying members of the National Guard, the State Military Reserve, and the Naval Militia who are ~~graduate students or who are enrolled in, or have completed, a program of study at~~ *in* a qualifying ~~trade or technical school~~ *vocational diploma program*, to participate in the program. The bill would ~~increase the maximum amount of loan assumption payments relating to undergraduate education that a~~

~~qualifying member could receive to \$19,000 if he or she completes up to 6 years of qualifying service. The bill would also authorize qualifying members to receive an additional \$1,000 in loan assumption payments relating to graduate education for each year of additional service, up to a total of \$6,000 after at least 6 years of service require the Student Aid Commission to report annually to the Legislature regarding the total number of participants in the program, as well as the number of participants who receive a loan assumption benefit, classified by payment year and amount, and categorized by age, ethnicity, and gender.~~

The bill would specify that, in any fiscal year, the commission may not issue more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for the assumption of loans under this bill.

(4) Existing law, in effect until January 1, 2007, requests the Office of the Adjutant General to make copies of the enrollment fee waiver application of the Board of Governors of the California Community Colleges and the Free Application for Federal Student Aid (FAFSA) available to each member of the California National Guard, the State Military Reserve, and the Naval Militia who does not have a baccalaureate degree. Existing law also requests the Office of the Adjutant General to assist these persons in completing these forms, as needed.

This bill would extend the operation of the provisions containing these requests until January 1, 2012.

(5) *Existing law establishes the California Postsecondary Education Commission for, among other purposes, the collection of data pertinent to the planning and coordination of the higher education system of the state.*

This bill would require the California Postsecondary Education Commission, in consultation with the Military Department and the Student Aid Commission, to evaluate the programs discussed above. The bill would require that this evaluation be submitted, in writing, to the Director of Finance and the Legislature no later than September 30, 2010.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 66025.6 of the Education Code is amended to read:

66025.6. (a) As used in this section, the following terms have the following meanings:

(1) “Active duty” means either of the following:

(A) Active federal service or full-time national guard duty on behalf of the United States of America either voluntarily, or when involuntarily ordered to duty by appropriate authorities under Title 10 or Title 32 of the United States Code during a period of armed conflict, mobilization, contingency operations, or other crisis.

(B) (i) Active military duty in the service of the state when the Governor has issued a proclamation of a state of insurrection pursuant to Section 143 of the Military and Veterans Code or a proclamation of a state of emergency; or

(ii) When the National Guard is on active duty pursuant to Section 146 of the Military and Veterans Code, or is called to active service or duty under Chapter 7.5 (commencing with Section 400) of Part 1 of Division 2 of the Military and Veterans Code, and a certificate of satisfactory service, or an equivalent thereof, is issued by the Military Department.

(2) “Qualifying member” means a person who:

(A) Is a resident, as defined in Section 68017.

(B) Is currently an active member of, and has satisfactorily served for at least one year in, the California National Guard, the State Military Reserve, or the Naval Militia, and maintains satisfactory service throughout the period that he or she receives consideration pursuant to this section, or throughout the period that his or her student loan payments are assumed under Article 12.5 (commencing with Section 69750) of Chapter 2 of Part 42, whichever is longer.

(C) Has completed a baccalaureate degree, or is currently enrolled, and in good standing, in an undergraduate ~~or graduate~~ program of instruction, or has been admitted to a program in which he or she will be enrolled, on at least a half-time basis, at an institution of higher education in this state, or is enrolled in or has completed a program of instruction ~~at a technical or trade school~~ *in a vocational diploma program as defined in Section 94746* where enrollment qualifies a student for participation in the

1 Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et
2 seq.) or any loan program approved by the Student Aid
3 Commission for this purpose.

4 (b) (1) Any qualifying member, *and any member of the*
5 *California National Guard, the State Military Reserve, or the*
6 *Naval Militia who meets the qualifications of subparagraphs (A)*
7 *and (B) of paragraph (2) of subdivision (a) and who is enrolled,*
8 *and in good standing, in a graduate program of instruction, who*
9 undertakes active duty is entitled to an academic leave of absence
10 for any academic session that the ~~qualifying member~~ person is
11 unable to attend or complete because he or she is on active duty.
12 *It is the intent of the Legislature that a graduate or undergraduate*
13 *student who is called to active military duty as a member of the*
14 *California National Guard, the State Military Reserve, or the*
15 *Naval Militia not be academically penalized as a result of any*
16 *academic leave of absence that he or she takes in accordance with*
17 *this paragraph.*

18 ~~(2) A qualifying member who takes an academic leave of~~
19 ~~absence during an academic session pursuant to this subdivision~~
20 ~~may have his or her transcripts cleared for that academic term.~~

21 ~~(3)–~~

22 (2) The graduation requirements for a qualifying member who,
23 within one year of returning from active duty, resumes his or her
24 studies at the same postsecondary educational institution shall be,
25 *to the extent that it is feasible, substantially* the same as the
26 graduation requirements at the time the qualifying member
27 initially enrolled.

28 ~~(4) Any qualifying member who undertakes active duty prior~~
29 ~~to the completion of an academic term for which tuition or fees or~~
30 ~~dormitory charges at a facility operated by a public institution of~~
31 ~~higher education have been paid, shall have those payments~~
32 ~~refunded. Dormitory charges may be prorated in the period~~
33 ~~occupied prior to commencing active duty.~~

34 (c) The Military Department shall determine whether an
35 individual meets the requirements of “active duty” and
36 “qualifying member,” as they are set forth in subdivision (a). The
37 department shall issue a certificate to individuals who meet those
38 requirements.

(d) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 2. Section 69433.4 of the Education Code is amended to read:

69433.4. (a) Notwithstanding any other provision of law, a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty within the meaning of Section 66025.6, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

(b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

SEC. 3. Section 69750 of the Education Code is amended to read:

69750. Commencing with the 2004–05 fiscal year, the National Guard Assumption Program of Loans for Education is established for qualifying members of the National Guard, the State Military Reserve, or the Naval Militia within the meaning of Section 66025.6 who seek, or who have completed, degrees at institutions of higher education within this state, or who are enrolled in or have completed a program of instruction in a technical or trade school where enrollment qualifies a student for participation in the Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or any loan program approved by the Student Aid Commission for this purpose.

SEC. 4. Section 69750.3 of the Education Code is amended to read:

69750.3. (a) Any qualifying member of the National Guard, the State Military Reserve, or the Naval Militia enrolled in an institution of higher education or a ~~technical or trade school~~ *vocational diploma program as defined in Section 94746* participating in the loan assumption program set forth in this article is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to Section 69750.5. In order to be eligible

1 to enter into a loan assumption agreement, an applicant shall
2 satisfy both of the conditions specified in subdivision (b).

3 (b) (1) The applicant ~~has completed a baccalaureate degree, or~~
4 ~~is currently enrolled in, or has been admitted to, a program in~~
5 ~~which he or she will be enrolled on at least a half-time status. If a~~
6 ~~baccalaureate degree has not yet been completed, the applicant~~
7 ~~shall agree to maintain at least a half-time status, in at least 10~~
8 ~~semester units or the equivalent. The applicant shall agree to~~
9 ~~maintain not less than 10 semester units per semester, or the~~
10 ~~equivalent and to maintain satisfactory academic progress.~~

11 (2) In order to meet the costs associated with obtaining a degree
12 or enrollment in a qualified ~~technical or trade school~~ *vocational*
13 *diploma program as defined in Section 94746*, the applicant has
14 received, or is approved to receive, a loan under one or more the
15 following designated loan programs:

16 (A) The Federal Family Education Loan Program (20 U.S.C.
17 Sec. 1071 et seq.).

18 (B) Any loan program approved by the Student Aid
19 Commission.

20 (c) A person participating in the program pursuant to this
21 article shall not be eligible to enter into more than one agreement
22 under this article.

23 SEC. 5. Section 69750.5 of the Education Code is amended
24 to read:

25 69750.5. The Student Aid Commission shall commence loan
26 assumption payments, as required by Section 69750.7, upon
27 receipt of a certificate from the Military Department verifying that
28 the applicant has met the requirements of the loan assumption
29 agreement and all other conditions of this article.

30 SEC. 6. Section 69750.7 of the Education Code is amended
31 to read:

32 69750.7. The terms of the loan assumption agreements
33 granted under this article shall be as follows, *subject to the specific*
34 *terms of each warrant*:

35 (a) After a program participant has completed one year of
36 additional service as a qualifying member within the meaning of
37 Section 66025.6, the Student Aid Commission shall assume up to
38 two thousand dollars (\$2,000) of the participant's outstanding
39 liability, related to ~~undergraduate~~ *qualifying undergraduate or*

1 vocational education, under one or more of the designated loan
2 programs.

3 (b) After a program participant has completed two consecutive
4 years of additional service as a qualifying member within the
5 meaning of Section 66025.6, the commission shall assume up to
6 an additional three thousand dollars (\$3,000) of the participant's
7 outstanding liability, related to ~~undergraduate~~ *qualifying*
8 *undergraduate or vocational* education, under one or more of the
9 designated loan programs, for a total loan assumption of up to five
10 thousand dollars (\$5,000).

11 (c) After a program participant has completed three
12 consecutive years of additional service as a qualifying member
13 within the meaning of Section 66025.6, the commission shall
14 assume up to a maximum of an additional three thousand dollars
15 (\$3,000) of the participant's outstanding liability, related to
16 ~~undergraduate~~ *qualifying undergraduate or vocational* education,
17 under one or more of the designated loan programs, for a total loan
18 assumption of up to eight thousand dollars (\$8,000).

19 (d) After a program participant has completed four consecutive
20 years of additional service as a qualifying member within the
21 meaning of Section 66025.6, the commission shall assume up to
22 a maximum of an additional three thousand dollars (\$3,000) of the
23 participant's outstanding liability, related to ~~undergraduate~~
24 *qualifying undergraduate or vocational* education, under one or
25 more of the designated loan programs, for a total loan assumption
26 of up to eleven thousand dollars (\$11,000).

27 ~~(e) After a program participant has completed five consecutive~~
28 ~~years of additional service as a qualifying member within the~~
29 ~~meaning of Section 66025.6, the commission shall assume up to~~
30 ~~a maximum of an additional four thousand dollars (\$4,000) of the~~
31 ~~participant's outstanding liability, related to undergraduate~~
32 ~~education, under one or more of the designated loan programs, for~~
33 ~~a total loan assumption of up to fifteen thousand dollars (\$15,000).~~

34 ~~(f) After a program participant has completed six consecutive~~
35 ~~years of additional service as a qualifying member within the~~
36 ~~meaning of Section 66025.6, the commission shall assume up to~~
37 ~~a maximum of an additional four thousand dollars (\$4,000) of the~~
38 ~~participant's outstanding liability, related to undergraduate~~
39 ~~education, under one or more of the designated loan programs, for~~

1 ~~a total loan assumption of up to nineteen thousand dollars~~
2 ~~(\$19,000).~~

3 ~~(g) In addition to a total loan repayment eligibility of up to~~
4 ~~nineteen thousand dollars (\$19,000) for qualified loans obtained~~
5 ~~to finance undergraduate education, members of the California~~
6 ~~National Guard, the State Military Reserve, and the Naval Militia~~
7 ~~who are otherwise qualified shall be eligible for one thousand~~
8 ~~dollars (\$1,000) in student loan assumption payments for loans~~
9 ~~obtained to support graduate education for each year of additional~~
10 ~~service as a qualifying member within the meaning of Section~~
11 ~~66025.6, up to a maximum of six thousand dollars (\$6,000) after~~
12 ~~a program participant has completed at least six consecutive years~~
13 ~~of additional service.~~

14 ~~(h) It is the intent of the Legislature, if and when the total~~
15 ~~amount of loan repayment eligibility for persons participating in~~
16 ~~the Assumption Program of Loans for Education under Article 5~~
17 ~~(commencing with Section 69612) or the Graduate Assumption~~
18 ~~Program of Loans for Education under Article 5.5 (commencing~~
19 ~~with Section 69618) is increased during the 2005–06 Regular~~
20 ~~Session or in a subsequent session, to enact legislation authorizing~~
21 ~~the Student Aid Commission to increase the total amount of loan~~
22 ~~assumption eligibility under this article by an equal amount.~~

23 SEC. 7. Section 69751 of the Education Code is amended to
24 read:

25 69751. (a) The Student Aid Commission shall administer
26 this article, and, in consultation with the Military Department,
27 shall adopt rules and regulations for that purpose. The rules and
28 regulations shall include, but need not be limited to, provisions
29 regarding the period of time for which a loan assumption
30 agreement shall remain valid, the reallocation of funds that are not
31 utilized, and the development of projections for funding purposes.
32 The commission shall solicit the advice of representatives from
33 postsecondary educational institutions regarding the proposed
34 rules and regulations.

35 (b) The Student Aid Commission shall work in conjunction
36 with lenders participating in federal loan programs to develop a
37 streamlined application process for participation in the program
38 set forth in this article.

39 SEC. 8. *Section 69751.3 of the Education Code is amended to*
40 *read:*

1 69751.3. (a) On or before July 1, 2006, the Office of the
2 Adjutant General shall submit a report to the Legislature on the
3 effectiveness of the National Guard Assumption Program of
4 Loans for Education established by this article.

5 (b) *The commission shall report annually to the Legislature*
6 *regarding both of the following, as categorized on the basis of age,*
7 *ethnicity, and gender:*

8 (1) *The total number of participants in the program established*
9 *by this article.*

10 (2) *The number of participants who receive a loan assumption*
11 *benefit, classified by payment year and amount.*

12 SEC. 9. *Section 69751.4 is added to the Education Code, to*
13 *read:*

14 69751.4. *Notwithstanding any other provision of law, in any*
15 *fiscal year, the commission shall issue no more than the number of*
16 *warrants that are authorized by the Governor and the Legislature*
17 *in the annual Budget Act for the assumption of loans under this*
18 *article.*

19 SEC. 10. *Section 69751.5 of the Education Code is amended*
20 *to read:*

21 69751.5. This article shall become inoperative on July 1,
22 2012, and, as of January 1, 2013, is repealed, unless a later enacted
23 statute that is enacted before January 1, 2013, deletes or extends
24 the date on which it becomes inoperative and is repealed.

25 ~~SEC. 9.—~~

26 SEC. 11. Section 981.8 of the Military and Veterans Code is
27 amended to read:

28 981.8. (a) The Office of the Adjutant General is requested to
29 annually make both of the following available to each member of
30 the California National Guard, the State Military Reserve, and the
31 Naval Militia who does not have a baccalaureate degree:

32 (1) A copy of the enrollment fee waiver application of the
33 Board of Governors of the California Community Colleges.

34 (2) A copy of the Free Application for Federal Student Aid
35 (FAFSA).

36 (b) The Office of the Adjutant General is requested to provide
37 assistance as necessary to help the members complete the forms
38 made available to them under subdivision (a).

1 (c) This section shall remain in effect only until January 1,
2 2012, and as of that date is repealed, unless a later enacted statute
3 that is enacted before January 1, 2012, deletes or extends that date.
4 *SEC. 12. The California Postsecondary Education*
5 *Commission, in consultation with the Military Department and the*
6 *Student Aid Commission, shall evaluate the operation of the*
7 *benefits and programs established pursuant to Section 66025.6 of,*
8 *and Article 12.5 (commencing with Section 69750) of Chapter 2*
9 *of Part 42 of, the Education Code. This evaluation shall be*
10 *submitted, in writing, to the Director of Finance and the*
11 *Legislature no later than September 30, 2010.*

